

XP  inc.

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This presentation also includes certain non-GAAP financial information. We believe that such information is meaningful and useful in understanding the activities and business metrics of the Company’s operations. We also believe that these non-GAAP financial measures reflect an additional way of viewing aspects of the Company’s business that, when viewed with our International Financial Reporting Standards (“IFRS”) results, as issued by the International Accounting Standards Board, provide a more complete understanding of factors and trends affecting the Company’s business. Further, investors regularly rely on non-GAAP financial measures to assess operating performance and such measures may highlight trends in the Company’s business that may not otherwise be apparent when relying on financial measures calculated in accordance with IFRS. We also believe that certain non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of public companies in the Company’s industry, many of which present these measures when reporting their results. The non-GAAP financial information is presented for informational purposes and to enhance understanding of the IFRS financial statements. The non-GAAP measures should be considered in addition to results prepared in accordance with IFRS, but not as a substitute for, or superior to, IFRS results. As other companies may determine or calculate this non-GAAP financial information differently, the usefulness of these measures for comparative purposes is limited. A reconciliation of such non-GAAP financial measures to the nearest GAAP measure is included in this presentation.

For purposes of this presentation:

“Active Clients” means the total number of retail clients served through our XP Investimentos, Rico, Clear, XP Investments and XP Private (Europe) brands, with Client Assets above R\$100.00 or that have transacted at least once in the last thirty days. For purposes of calculating this metric, if a client holds an account in more than one of the aforementioned entities, such client will be counted as one “active client” for each such account. For example, if a client holds an account in each of XP Investimentos and Rico, such client will count as two “active clients” for purposes of this metric.

“Client Assets” means the market value of all client assets invested through XP’s platform, including equities, fixed income securities, mutual funds (including those managed by XP Gestão de Recursos Ltda., XP Advisory Gestão Recursos Ltda. and XP Vista Asset Management Ltda., as well as by third-party asset managers), pension funds (including those from XP Vida e Previdência S.A., as well as by third-party insurance companies), exchange traded funds, COEs (Structured Notes), REITs, and uninvested cash balances (Floating Balances), among others.

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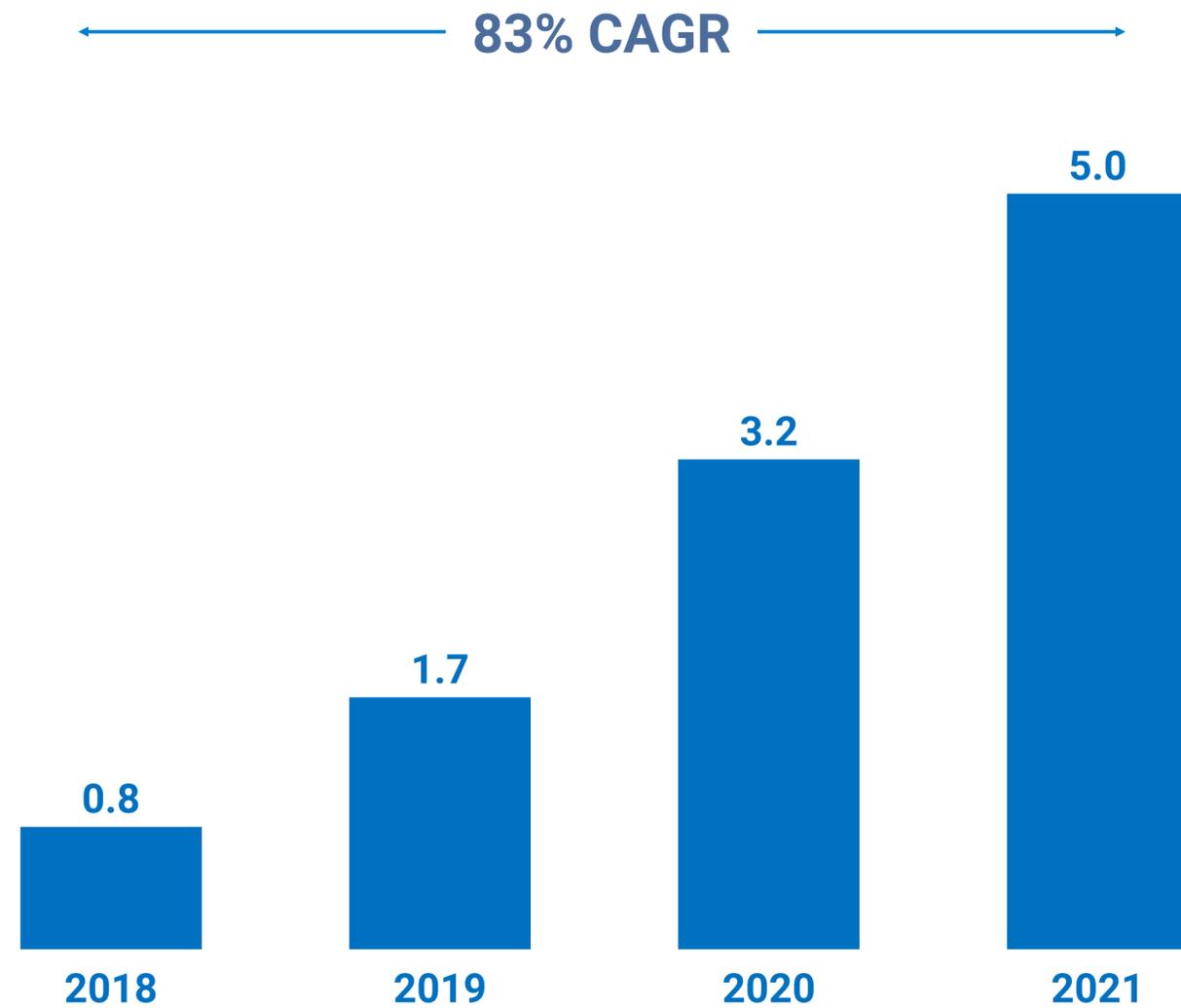
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1 Introduction

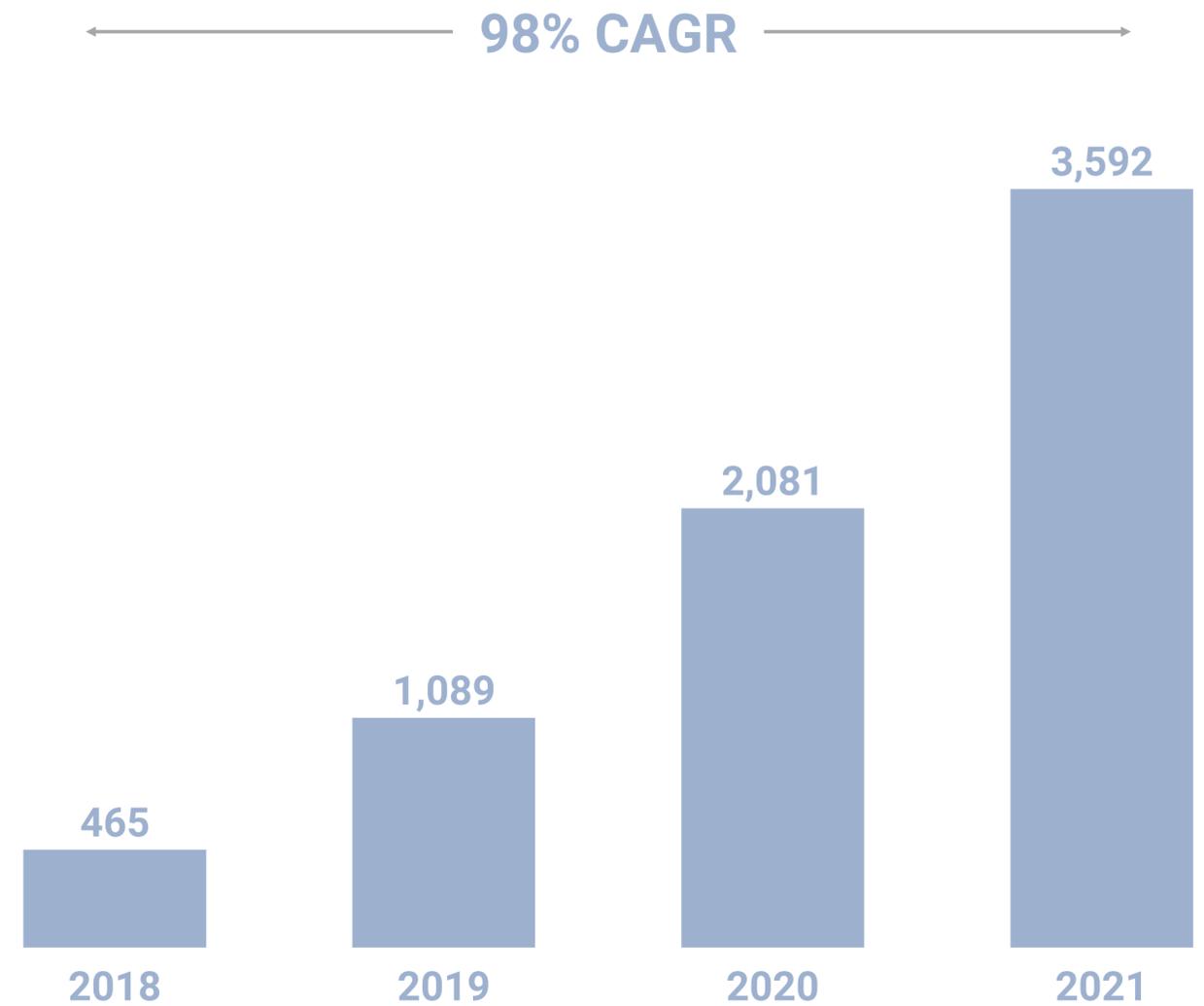
XP benefited from a positive market environment until 2021

Unique distribution channel and product platform allowed us to help millions of Brazilians to invest better

B3 Individual's Accounts (in millions)



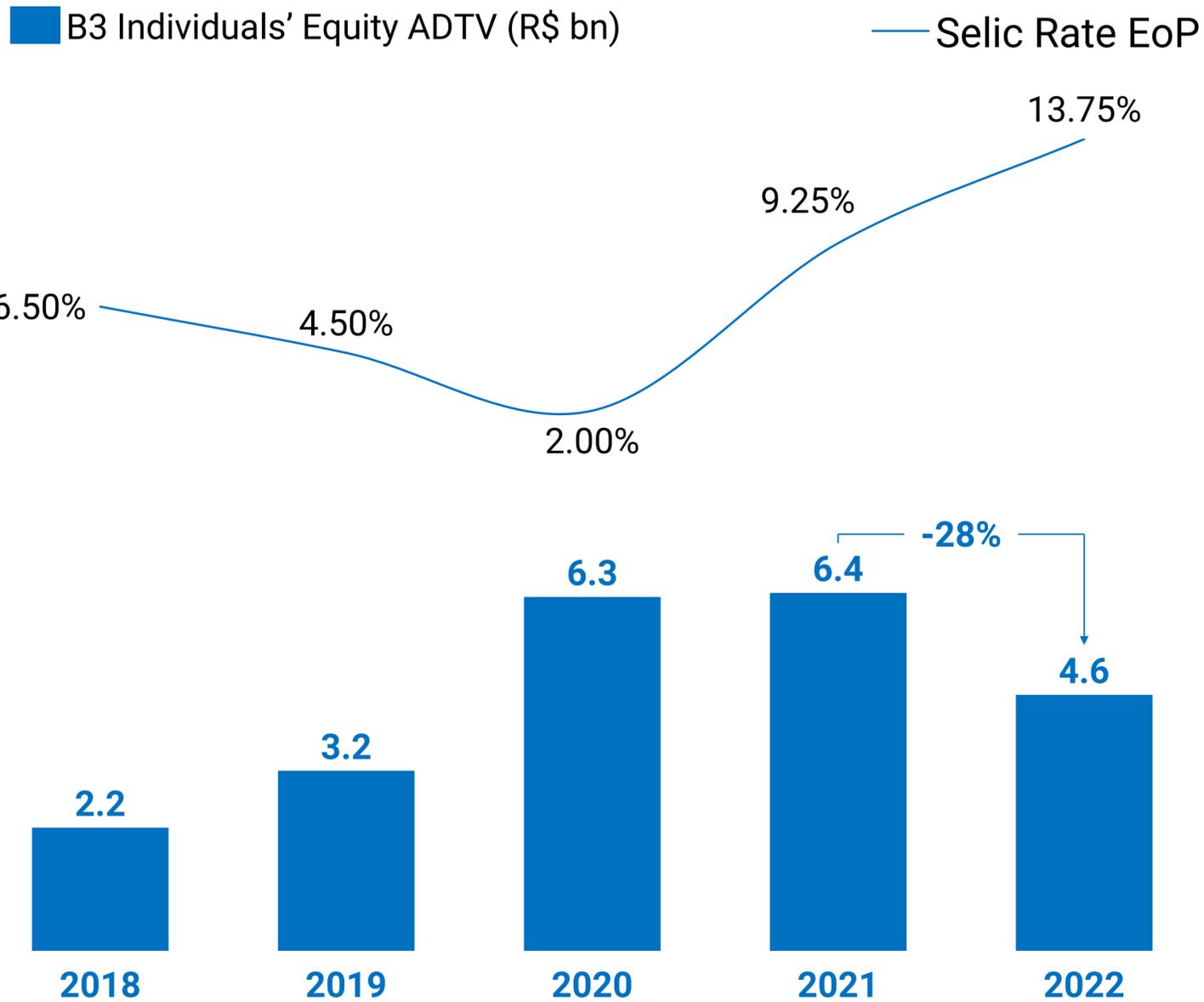
XP Inc.'s Net Income (in R\$ mn)



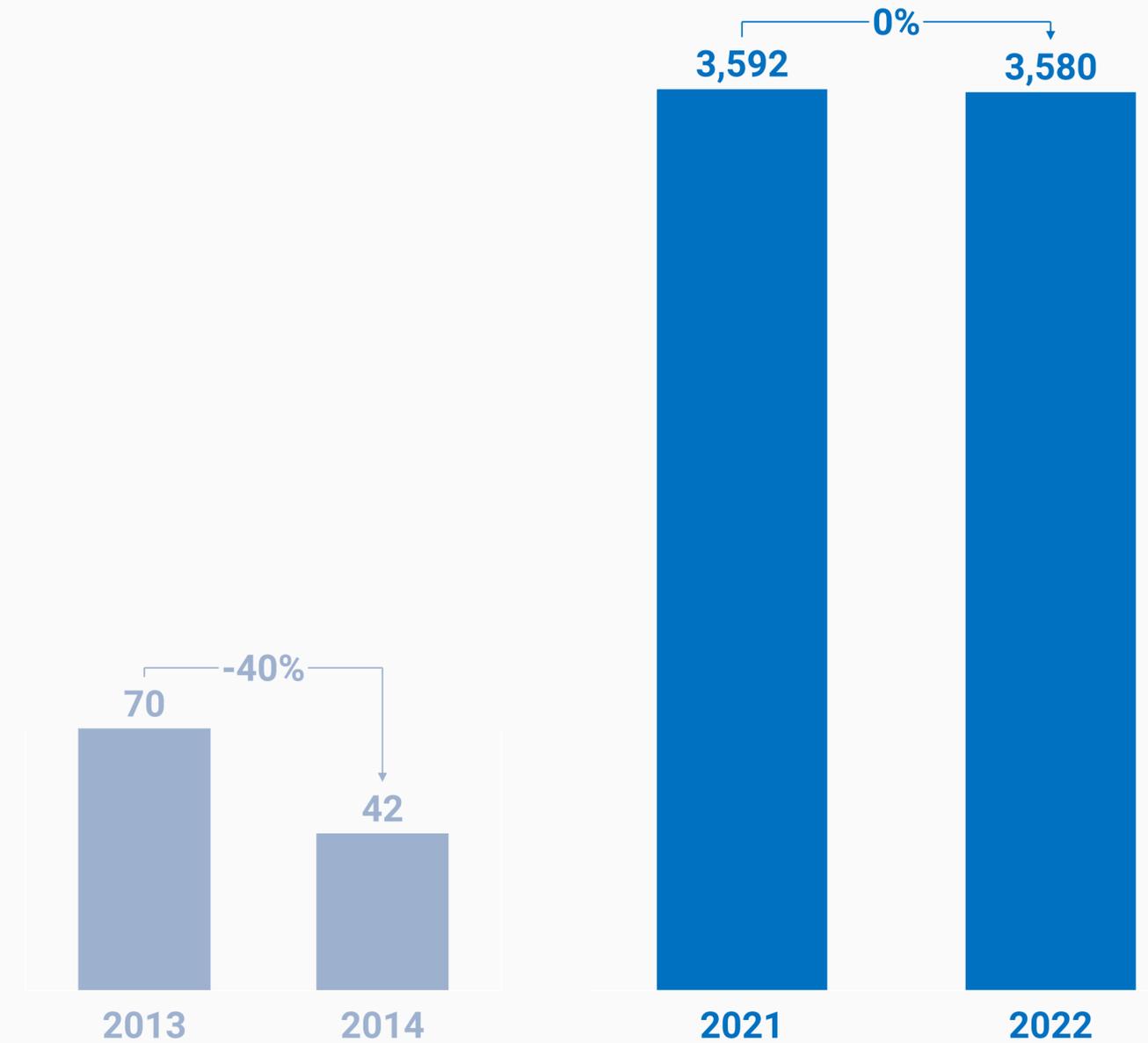
2022 posed many challenges to our business

However, our business model has become less cyclical and more resilient over the years

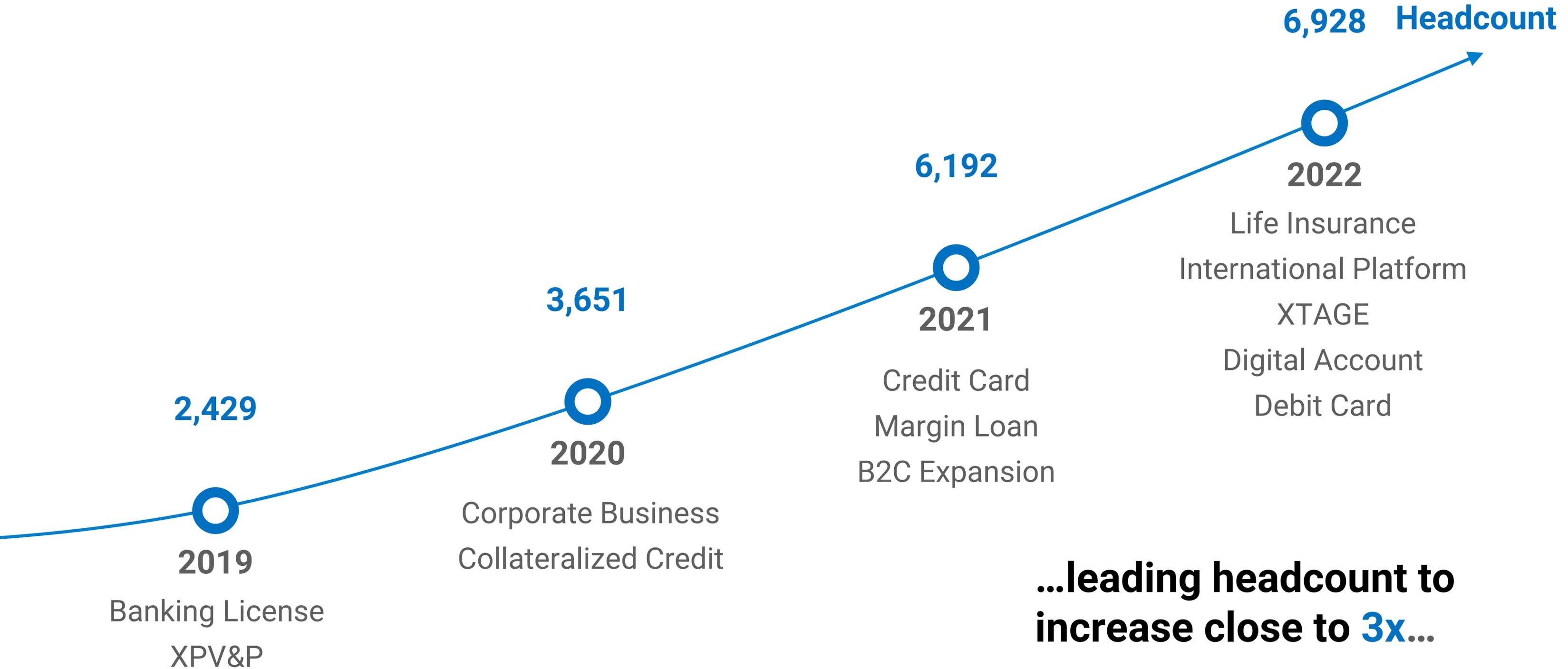
B3 Individual's Equity ADTV and Selic EoP



XP Inc.'s Net Income (in R\$ mn)



Aligned with our strategy of expanding beyond Investments, new products and services were launched



...leading headcount to increase close to 3x...

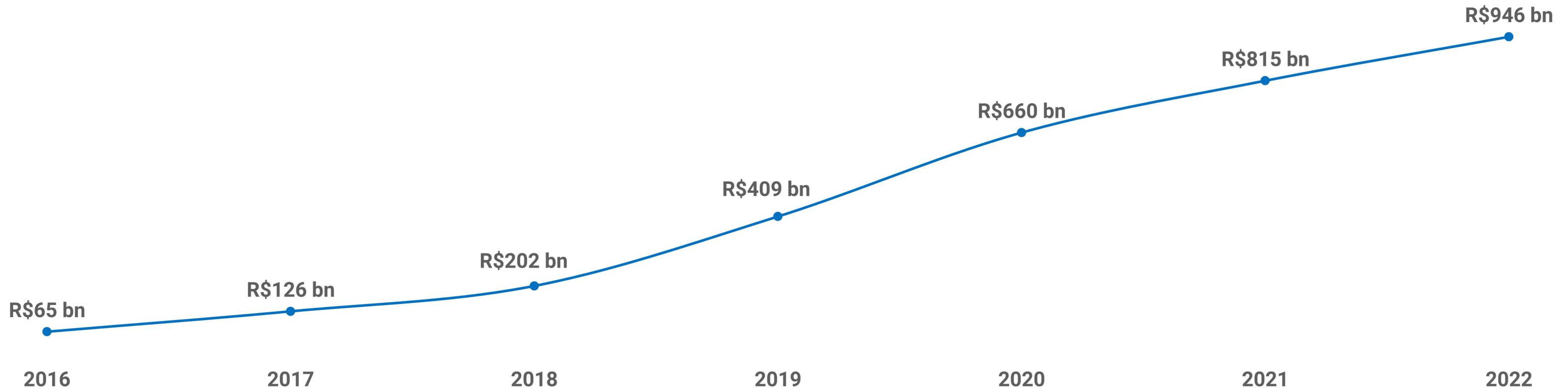
Our core business continued to evolve

+2,000
Net New IFAs
Would be Brazil's 3rd largest network

R\$ 155 Billion
Net Inflow

+460k
Net New Clients

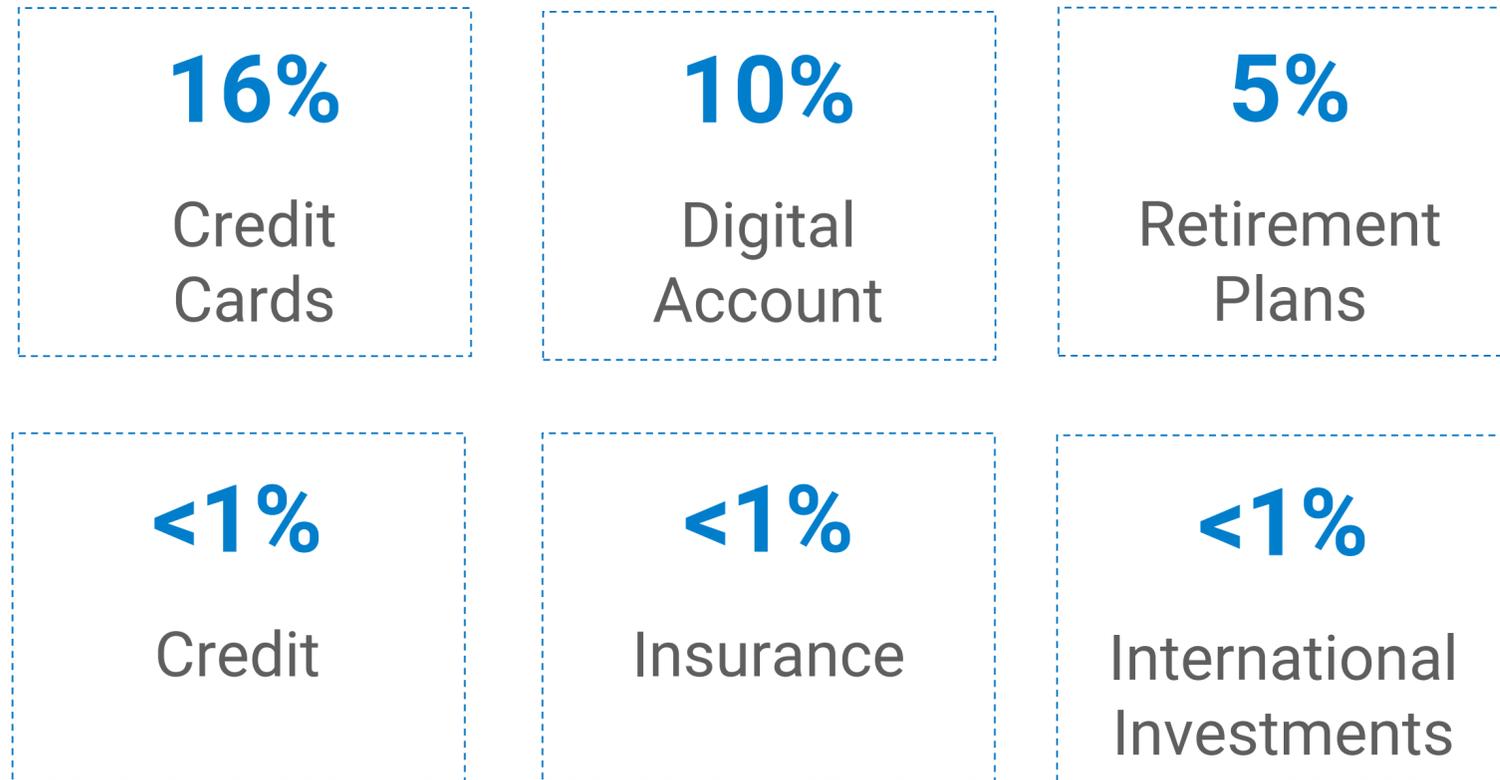
Client Assets



Cross-Sell

Large, in-house opportunity

Penetration in Active Clients



New verticals are less cyclical than investments and **enhance clients' lifetime value**

Untapped potential: relationship with clients improve as more products are adopted

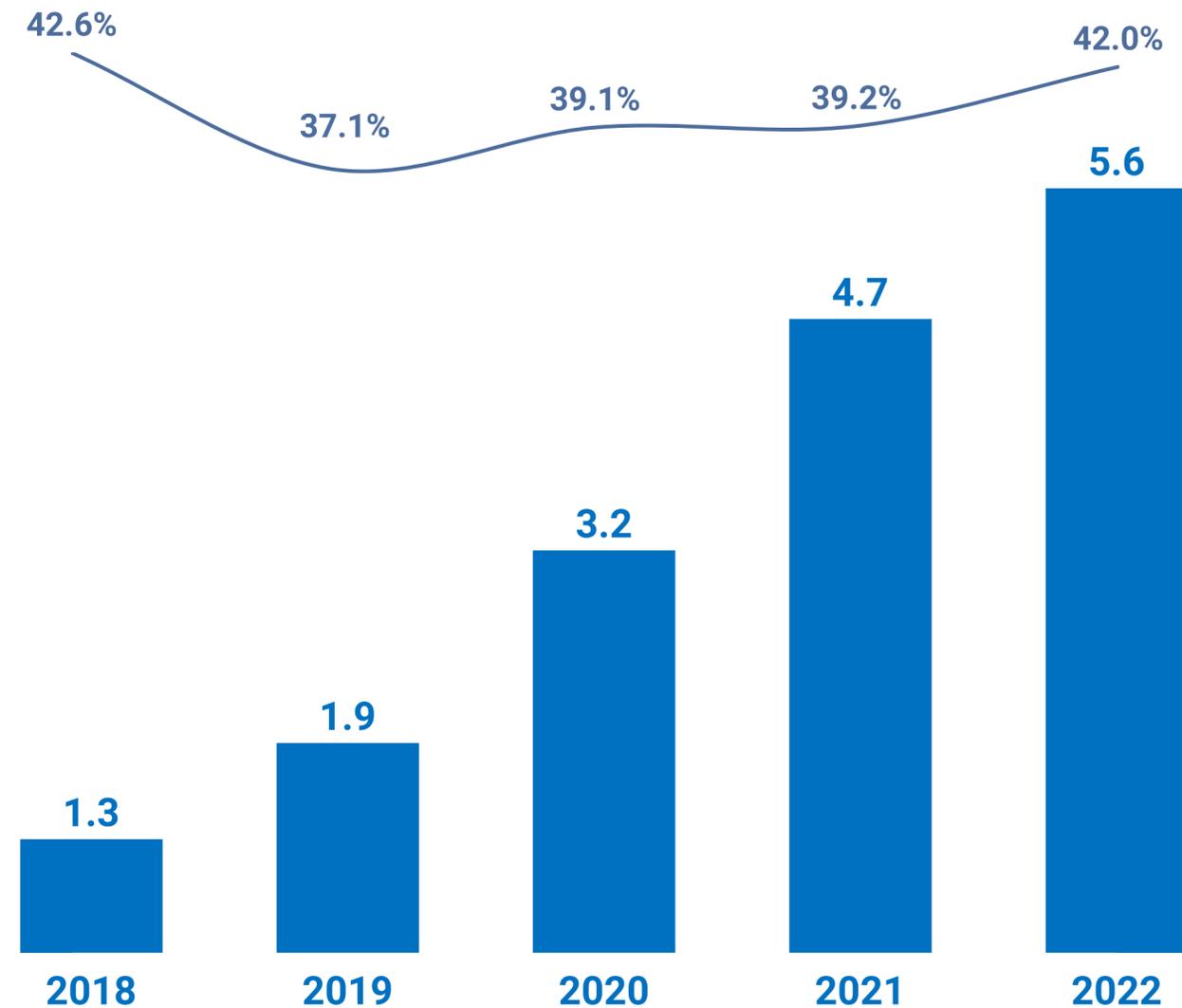
Credit Card, the highest penetration within the new verticals, has only **16%**

SG&A Expenses

Corporate transformation process allowed for resource optimization and increased efficiency

Total SG&A (in R\$ bn)¹

— SG&A¹ Expense Ratio (SG&A¹/Net Revenue)



Adjustments to cost structure with **no impact** on service level nor strategic plan

Leaner and sustainable cost structure from 2023 onwards

2023 GUIDANCE

SG&A¹ between **R\$5.0 - 5.5 billion** vs *FY22 SG&A¹ of R\$5.6 billion*

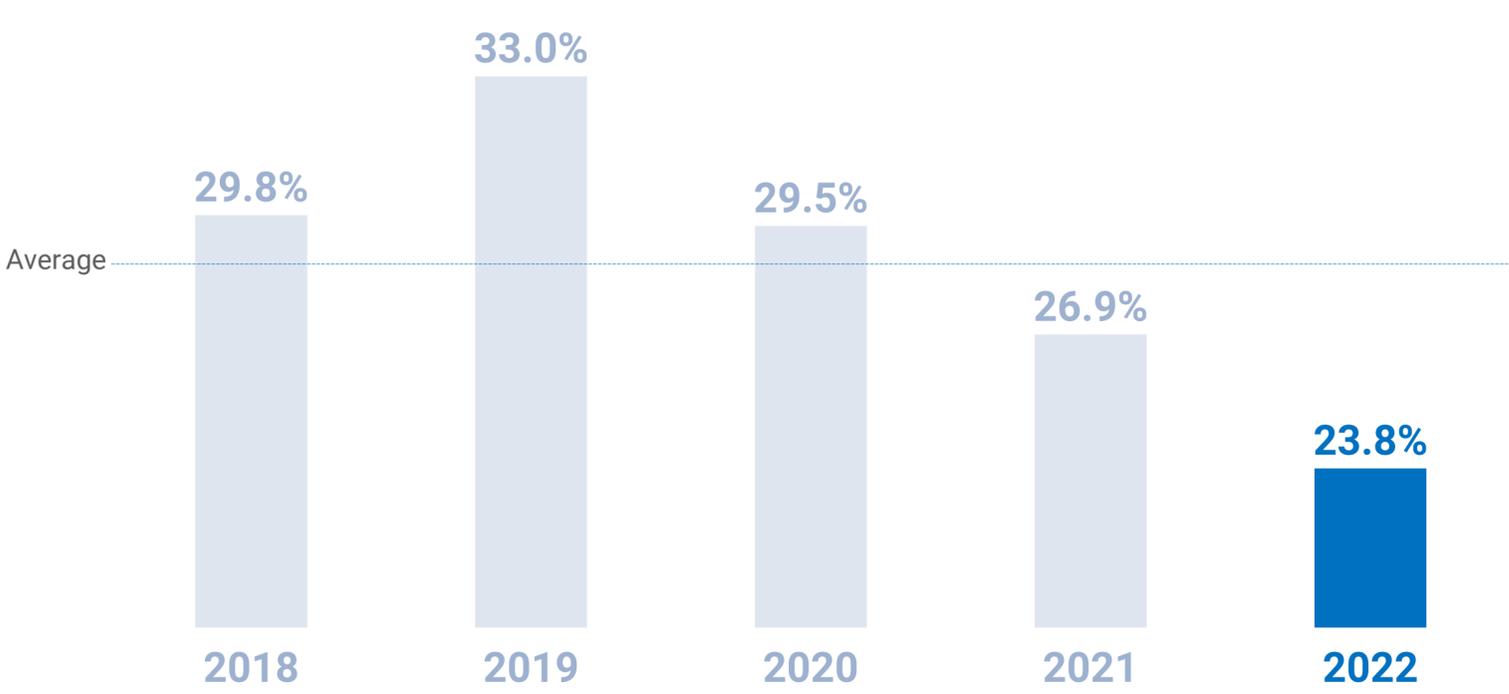
Note 1 – Excludes Revenue from incentives from Tesouro Direto, B3 and Others.

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2 **FY22 KPIs and Financials**

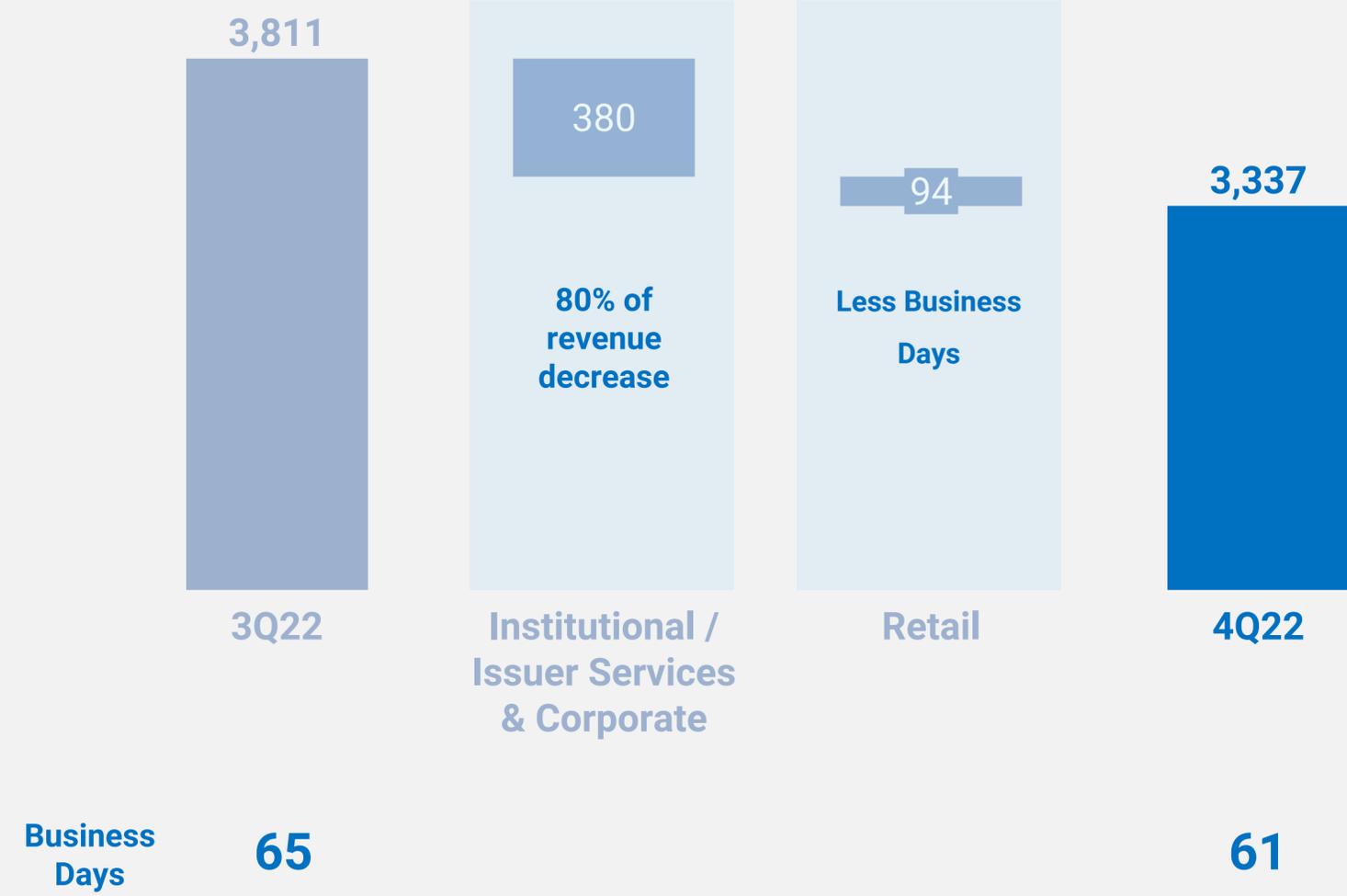
Gross Revenue

Q4 seasonality in annual revenue



- 4Q usually benefits from performance fees and a more active capital market;
- In 2022, polarized Brazilian elections and the World Cup broke this historical pattern

Gross Revenue Bridge QoQ (in R\$m)



Gross Revenue

(in R\$ mn)	2022	2021	Δ YoY
Gross Revenue	14,036	12,799	+10%
Retail	10,157	9,793	+4%
Institutional	1,919	1,277	+50%
Corporate	596	170	+250%
Issuer Services	699	1,043	-33%
Other	666	516	+29%

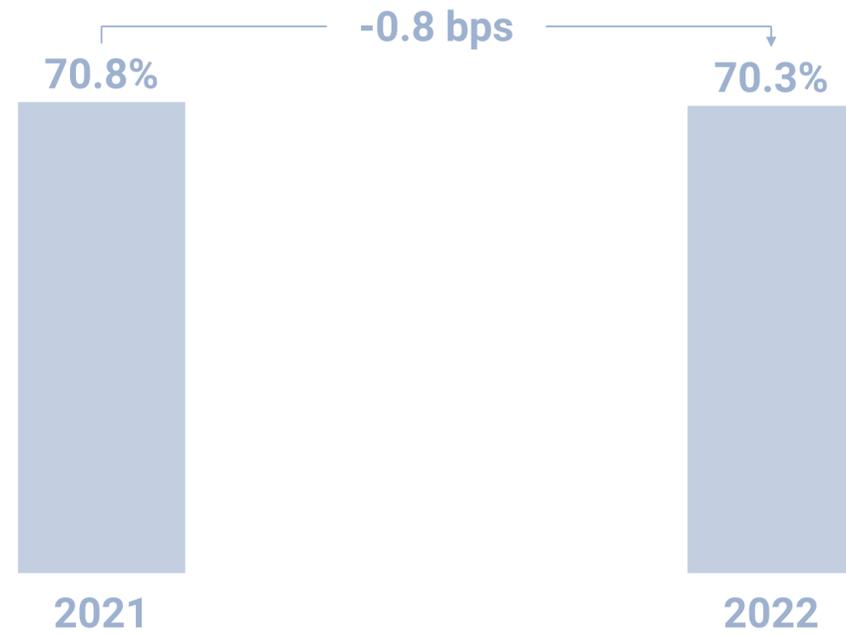
Highlights

- After a very strong 2021, gross revenue expanded 10% YoY, reinforcing XP's resilience.

(in R\$ mn)	2022	2021	Δ YoY
Retail	10,157	9,793	+4%
Equities	4,276	5,390	-21%
Fixed Income	1,886	1,619	+17%
Funds Platform	1,259	1,300	-3%
Retirement Plans	333	227	+47%
Cards	593	180	+229%
Credit	160	104	+54%
Insurance	97	60	+62%
Other	1,553	914	+70%

Gross Margin

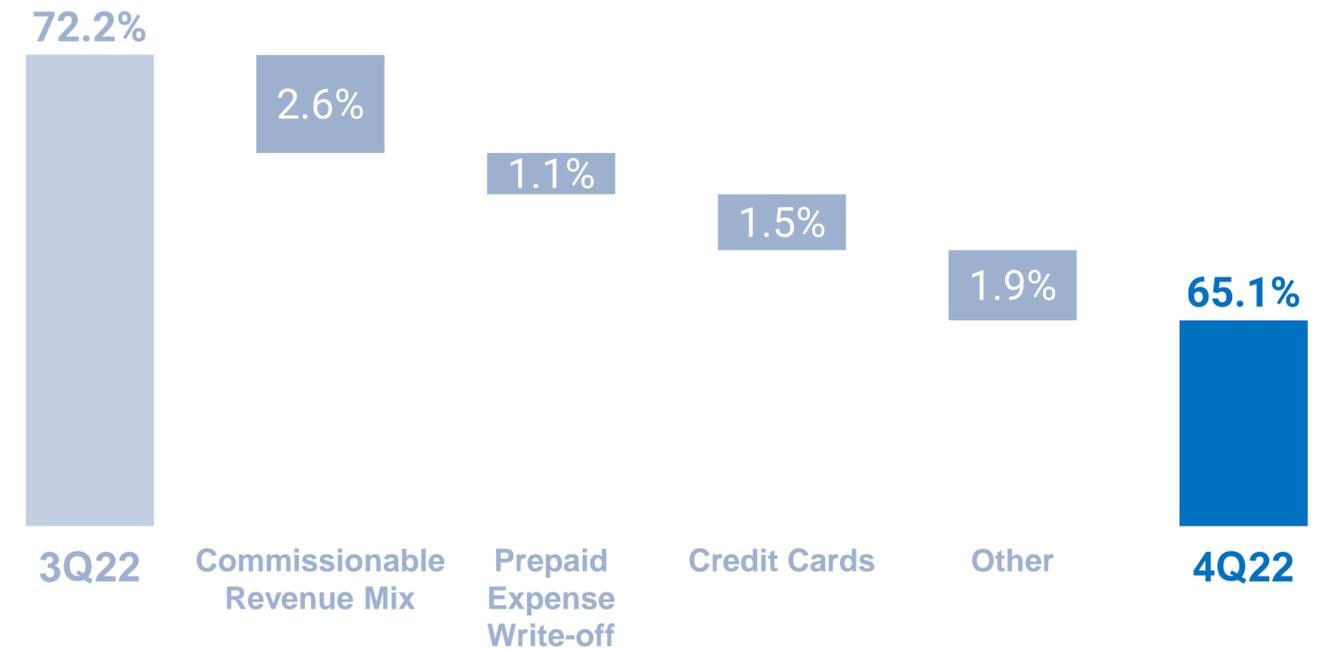
Gross Margin YoY



Highlights

- Despite possible quarterly volatility, Gross Margin for 2023 is expected to be in line with 2021 and 2022.

Gross Margin Bridge QoQ

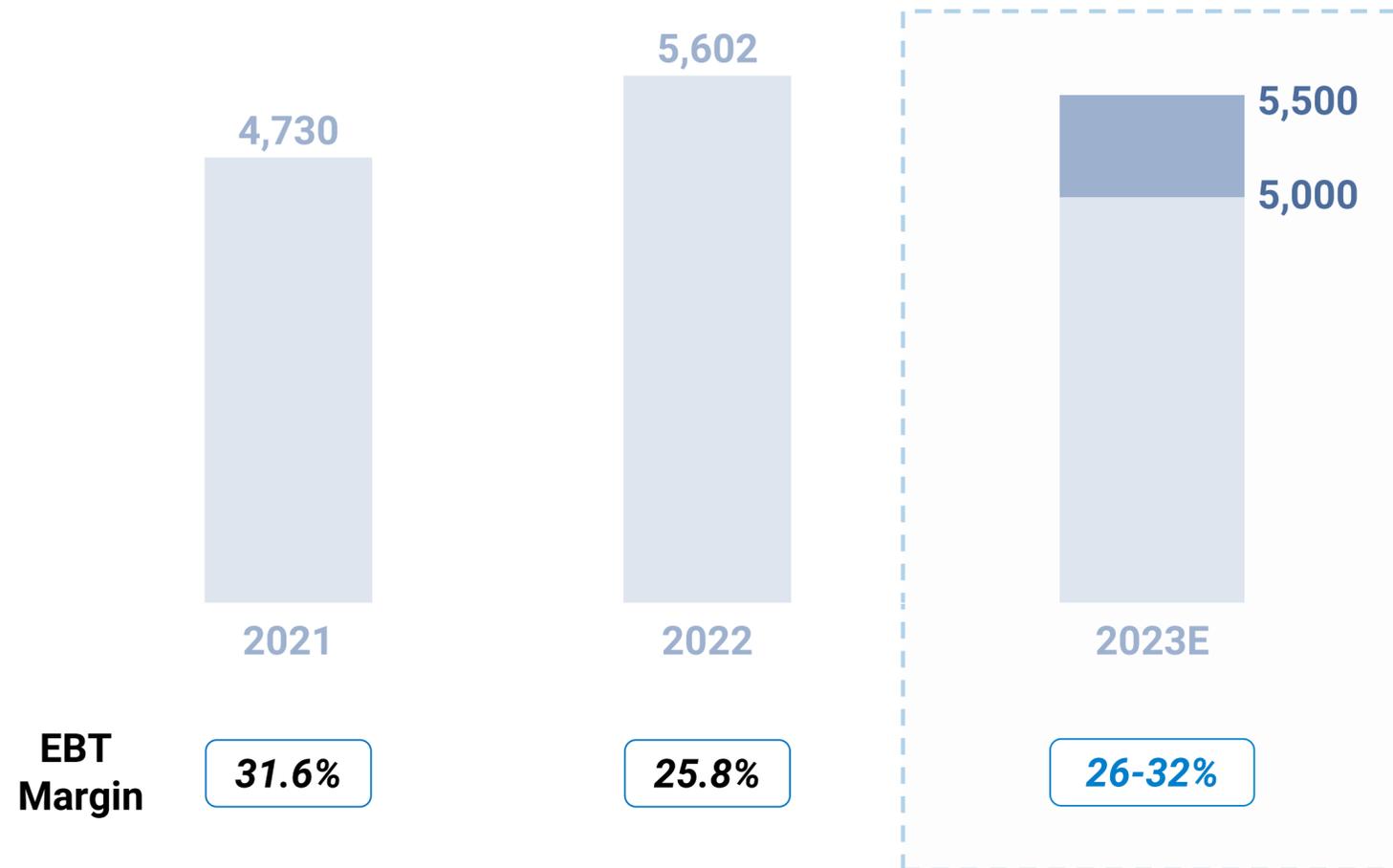


Highlights

- Gross Margin compression mainly led by items that are expected to normalize going forward.

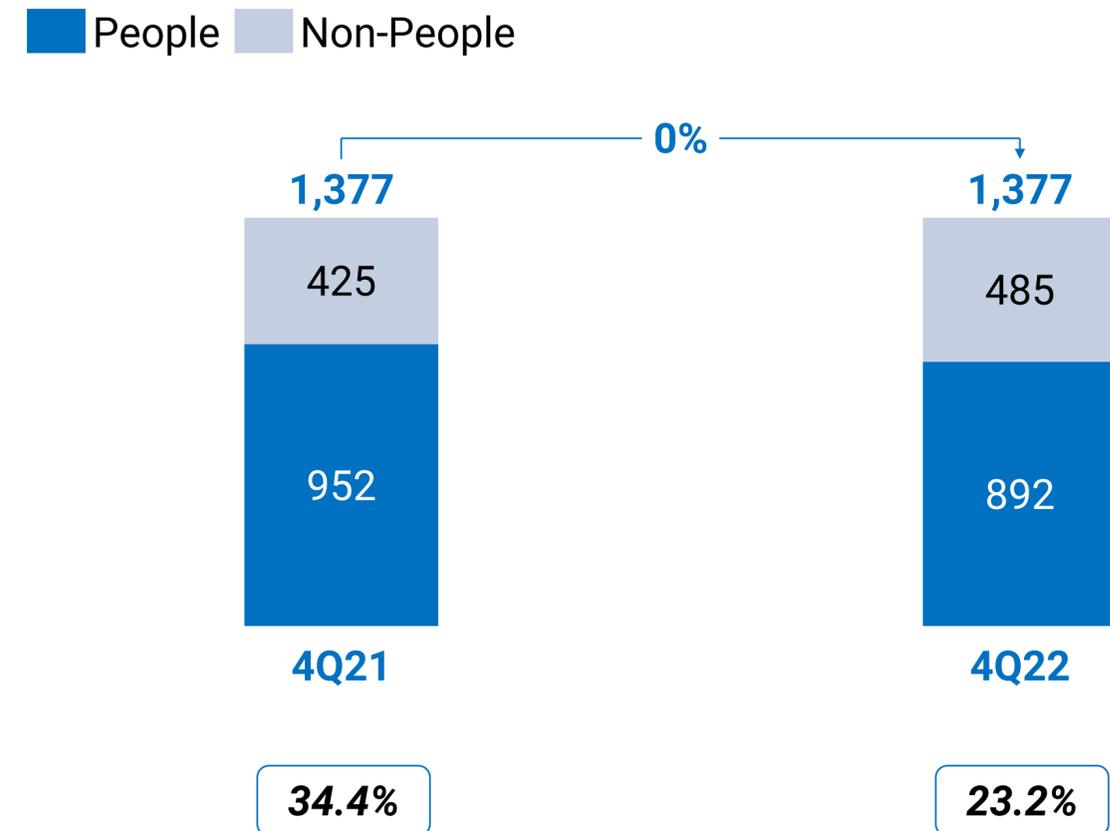
SG&A Expenses

Total SG&A Expenses¹ (in R\$ mn)



Highlights

- SG&A¹ expenses estimated between R\$5.0 billion and R\$5.5 billion in 2023, versus R\$5.6 billion in 2022.

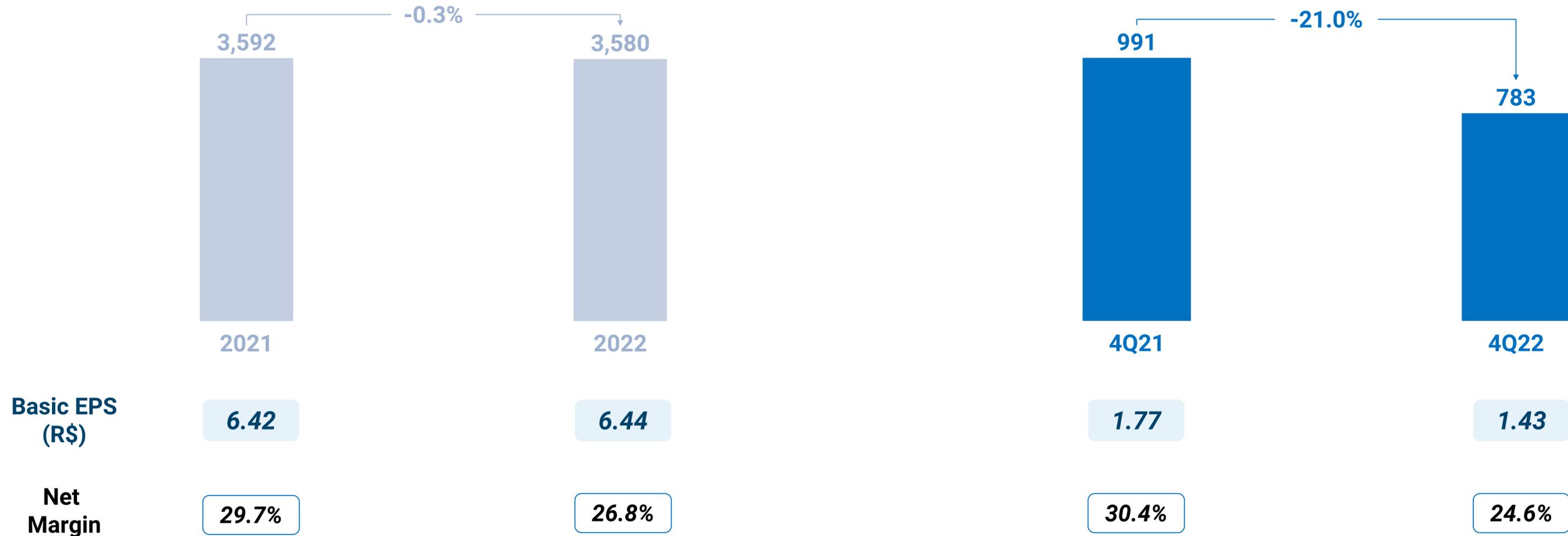


Highlights

- SG&A¹ expenses were flat YoY and fell 8% QoQ reflecting the ongoing adjustment of our cost structure.

Net Income and EPS

Net Income (in R\$ mn)



Highlights

- Basic EPS grew marginally YoY, while Net Income remained stable.

Highlights

- Basic EPS fell 19% YoY, while Net Income fell 21% YoY, to R\$783 million.

Key messages

- 1 Expenses:** Leaner and sustainable cost structure, leading to a higher operational leverage in the future
- 2 Cross-sell:** Large in-house opportunity to increase penetration of new verticals in 2023
- 3 Resilience and Adaptability:** Cycles change constantly, we are building a company
- 4 2023 Guidance:** Net Income from **R\$3.8 to 4.4 billion** and SG&A¹ from **R\$5.0 to 5.5 billion**



Q&A

The logo for XP Inc. is centered on a black rectangular background. It features the letters "XP" in a bold, white, sans-serif font. A blue parallelogram shape is positioned behind the "P" and extends to the right, partially overlapping the "Inc." text. The word "Inc." is also in a bold, white, sans-serif font, with a period at the end.

XP Inc.

Investor Relations

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<https://investors.xpinc.com/>



Appendix

Non-GAAP Financial Information

Adjusted Assets (from the factors listed below) reflects our business more realistically

Simplified Balance Sheet (in R\$ mn)

Assets	[A]	[B] Retirement Plans	[C] Float	Adjusted Assets [A-B-C]
Total	192,035	45,734	16,063	130,238
Securities - Fair Value through P&L	87,513	45,734	-	41,779
Securities - Repos	7,604	-	-	7,604
Securities - Fair Value through OCI	34,479	-	12,792	21,687
Securities - Trading & Intermediation	3,271	-	3,271	-
Other Financial Instruments	18,489	-	-	18,489
Other Assets	40,679	-	-	40,679

Liabilities + Equity	[A]	[B] Retirement Plans	[C] Float	Adjusted Assets [A-B-C]
Total	192,035	45,734	16,063	130,238
Securities - Repos	31,790	-	-	31,790
Other Finan. Liab.	22,135	-	-	22,135
Pension Funds	45,734	45,734	-	-
Securities - Trading & Intermediation	16,063	-	16,063	-
Other Liabilities & Equity	76,314	-	-	76,314

Key factors inflating our balance sheet

[B] Retirement Plans

- AUM from XP Vida & Previdência is accounted in both assets and liabilities

[C] Float

- Uninvested cash from clients allocated in sovereign bonds

Net Asset Value

(in R\$ mn)

	4Q22	3Q22
Financial Assets	177,761	171,130
Securities & Derivatives	140,481	137,455
Loans	22,211	20,411
Repos	7,604	8,047
Other	7,465	5,216
(-) Financial Liabilities	(146,194)	(140,597)
(-) Retirement Plans Liabilities	(45,734)	(42,714)
(-) Market Funding Operations	(38,094)	(35,818)
(-) Repos	(31,790)	(31,429)
(-) Securities & Derivatives	(22,135)	(24,145)
(-) Other	(8,442)	(6,490)
(-) Float	(12,792)	(11,391)
(=) Adjusted Gross Financial Assets	18,775	19,142

Net Asset Value	4Q22	3Q22
(=) Adjusted Gross Financial Assets	18,775	19,142
Gross Debt	(9,389)	(9,298)
(-) Borrowings	(1,866)	(1,901)
(-) Debentures	(2,029)	(1,956)
(-) Structured financing	(1,934)	(1,798)
(-) Bonds	(3,561)	(3,642)
(=) Net Asset Value	9,385	9,844

$$\text{NAV} = \text{Adj. Gross Financial Assets} - \text{Gross Debt}$$

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